

**NOTICE OF SPECIAL MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

FINANCE COMMITTEE
TELECONFERENCE MEETING**

**TELECONFERENCE PHONE NUMBER: (213) 279-1455
TELECONFERENCE ID: 246 543 577**

**August 4, 2020
10:30 a.m.**

NOTICE IS HEREBY GIVEN that a Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee was called by the Chairman to be held by Teleconference on **August 4, 2020** at **10:30 a.m.** SOCWA staff will be present and conducting the call at the SOCWA Administrative Office located at 34156 Del Obispo Street, Dana Point, California. This meeting is being conducted via Teleconference pursuant to the California Governor Executive Order N-29-20.

MEMBERS OF THE PUBLIC ARE INVITED TO PARTICIPATE IN THIS TELECONFERENCE MEETING AND MAY JOIN THE MEETING VIA THE TELECONFERENCE PHONE NUMBER AND ENTER THE ID CODE. THIS IS A PHONE CALL MEETING AND NOT A WEB-CAST MEETING SO PLEASE REFER TO AGENDA MATERIALS AS POSTED WITH THE AGENDA ON THE WEB-SITE WWW.SOCWA.COM. ON YOUR REQUEST, EVERY EFFORT WILL BE MADE TO ACCOMMODATE PARTICIPATION. IF YOU REQUIRE ANY SPECIAL DISABILITY RELATED ACCOMMODATIONS, PLEASE CONTACT THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY'S OFFICE AT (949) 234-5452 AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING TO REQUEST DISABILITY RELATED ACCOMMODATIONS. THIS AGENDA CAN BE OBTAINED IN ALTERNATE FORMAT UPON REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S SECRETARY AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING.

AGENDA EXHIBITS AND OTHER WRITINGS THAT ARE DISCLOSABLE PUBLIC RECORDS DISTRIBUTED TO ALL, OR A MAJORITY OF, THE MEMBERS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY FINANCE COMMITTEE IN CONNECTION WITH A MATTER SUBJECT FOR DISCUSSION OR CONSIDERATION AT AN OPEN MEETING OF THE FINANCE COMMITTEE ARE AVAILABLE BY PHONE REQUEST MADE TO THE AUTHORITY ADMINISTRATIVE OFFICE AT 949-234-5452. THE AUTHORITY ADMINISTRATIVE OFFICES ARE LOCATED AT 34156 DEL OBISPO STREET, DANA POINT, CA ("AUTHORITY OFFICE"). IF SUCH WRITINGS ARE DISTRIBUTED TO MEMBERS OF THE FINANCE COMMITTEE LESS THAN TWENTY-FOUR (24) HOURS PRIOR TO THE MEETING, THEY WILL BE SENT TO PARTICIPANTS REQUESTING VIA EMAIL DELIVERY. IF SUCH WRITINGS ARE DISTRIBUTED IMMEDIATELY PRIOR TO, OR DURING, THE MEETING, THEY WILL BE AVAILABLE IMMEDIATELY ON VERBAL REQUEST TO BE DELIVERED VIA EMAIL TO REQUESTING PARTIES.

AGENDA

- 1. Call Meeting to Order**
- 2. Public Comments**

THOSE WISHING TO ADDRESS THE FINANCE COMMITTEE ON ANY ITEM LISTED ON THE AGENDA WILL BE REQUESTED TO IDENTIFY AT THE OPENING OF THE MEETING AND PRIOR TO THE CLOSE OF THE MEETING. THE AUTHORITY REQUESTS THAT YOU STATE YOUR NAME

August 4, 2020

WHEN MAKING THE REQUEST IN ORDER THAT YOUR NAME MAY BE CALLED TO SPEAK ON THE ITEM OF INTEREST. THE CHAIR OF THE MEETING WILL RECOGNIZE SPEAKERS FOR COMMENT AND GENERAL MEETING DECORUM SHOULD BE OBSERVED IN ORDER THAT SPEAKERS ARE NOT TALKING OVER EACH OTHER DURING THE CALL.

3. FY 2019-20 O&M Budget Update and Proposed Budget Amendments

Recommended Action: Staff recommends that the Finance Committee recommend to the PC-5 Board of Directors to approve a FY 2019-2020 Budget Adjustment in the amount of \$60,000, and staff recommends that the Finance Committee recommend to the PC-2 Board of Directors to approve a FY2019-2020 Budget Adjustment in the amount of \$140,000 (or amended amount).

Adjournment

I hereby certify that the foregoing Notice was personally emailed or mailed to each member of the SOCWA Finance Committee at least 24 hours prior to the scheduled time of the Special Meeting referred to above.

I hereby certify that the foregoing Notice was posted at least 24 hours prior to the time of the above-referenced Finance Committee at the usual agenda posting location of the South Orange County Wastewater Authority and at www.socwa.com.

Dated this 27th day of July 2020.



Betty Burnett, General Manager/Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

Agenda Item

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Finance Committee Meeting

Meeting Date: August 4, 2020

TO: Finance Committee

FROM: Betty Burnett, General Manager

STAFF CONTACT: Mary Carey, Finance Controller

SUBJECT: FY 2019-20 O&M Budget Update and Proposed Budget Amendments

Summary/Discussion

In this past fiscal year there have been two statewide disaster declarations (Covid-19 Pandemic and Civil Unrest), one locally declared emergency (Laguna Beach North Coast Interceptor sewer spill), and one Agency declared emergency (Effluent Transmission Main (ETM) sewer spill) during this Fiscal Year. The COVID-19 pandemic is affecting major economic and financial markets, and virtually all industries and government agencies are facing challenges associated with the economic efforts to address it.

Throughout the pandemic response SOCWA has tracked the COVID-19 related expenditures for the purpose of submission to FEMA in the amount of \$79,000. Staff can report that despite these expenses, the total O&M budget will not be exceeded.

In May 2020, the Board approved several Project Committee budget adjustments, including (i) PC 2 \$50,000¹, PC 12 \$35,000², PC 21 \$100,000³, PC 23 \$30,000⁴. These additions are reflected in the YTD financials report as a part of the Adjusted Budget information.

As reported to the Finance Committee at its June 23, 2020 meeting, for the projected close of the fiscal year (May and June 2020) it appears that PC 5 will come in over budget by \$60,000 in costs related to support of the Junction Structure Project and increases in permit fees, among other items⁵.

Additionally, for PC 2 Operations Expenses totaling approximately \$140,000 have been identified as over budget in the final quarter of the FY. Staff will provide an update on costs at the Board meeting for PC 2.

¹ Funding power, utility standby, ferric chloride and SCADA costs.

² Funding Cal State Univ. research human source tracking for watersheds and technical evaluation WQIP studies.

³ Funding emergency pipeline repair and response costs.

⁴ Funding November 2019 water quality analysis.

⁵ Expenses related to NPDES permitting for the outfall and repair of offshore buoys marking water quality test locations.

In addition, for purpose of completing the expenditure of the PC 21 funding approved as noted in May 2020, staff intends to recommend with the FY 2019-2020 Use Audit a carry forward of approved funding to complete the pipeline repair and response.

For purposes of closing the fiscal year with budget approvals consistent with year-end expenditures, the staff recommends:

1. PC 5 to approve a FY 2019-2020 Budget Adjustment of \$60,000.
2. PC 2 to approve a FY 2019-2020 Budget Adjustment of \$140,000 (with possible revision at the Board meeting based on final bills coming in).

Staff notes that there will not be an exceedance of the total O&M Budget and refunds from other PCs due to the member agencies will net out the additional expense(s) in the final Use Audit.

Recommended Action: Staff recommends that the Finance Committee recommend to the PC-5 Board of Directors to approve a FY 2019-2020 Budget Adjustment in the amount of \$60,000, and staff recommends that the Finance Committee recommend to the PC-2 Board of Directors to approve a FY2019-2020 Budget Adjustment in the amount of \$140,000 (or amended amount).